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## NATIONAL INTELLIGENCE ESTIMATE

### PROBABLE SOVIET BLOC COURSES OF ACTION THROUGH MID-1955



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## PROBABLE SOVIET BLOC COURSES OF ACTION THROUGH MID-1955

### THE PROBLEM

To estimate probable courses of action of the Soviet Bloc through mid-1955.

### CONCLUSIONS

1. We see no sign that the ideological dynamism of the Communist regime is abating and we believe that the Communist rulers remain profoundly convinced that permanent hostility exists between the Communist and the free worlds. Their basic objectives, therefore, continue to be an expansion of their own sphere of power and the eventual domination of the non-Communist world.

2. It appears unlikely that the Kremlin will, during the period of this estimate, consider the Bloc's capabilities relative to those of the West as sufficient to warrant deliberate initiation of general war. We further believe that Bloc leaders will try to avoid courses of action which in their judgment might involve substantial risk of general war. We also believe it unlikely that the Bloc will initiate new local aggressions with identifiable Bloc forces during the period of this estimate, since the Communist leaders probably estimate that virtually any new local military aggression would now entail substantial risk of general war or political consequences seriously adverse to Bloc interests.

3. It is always possible, of course, that the Kremlin will deem some act of local armed aggression sufficiently advanta-

geous to make the risk worth while. Moreover, despite its reluctance to run substantial risks of general war, the Kremlin might through miscalculation adopt some course of action involving such a risk. We also believe that the Kremlin would not be deterred by the risk of general war from taking counter-action against a Western action which it considered to present an imminent threat to Bloc security. It is thus possible that a series of actions and counteractions, initiated by either side, could lead to general war even though not intended by either side to have that effect.

4. During the period of this estimate the Communist leaders will conduct a vigorous political warfare<sup>1</sup> campaign to undermine the Western power position. At present the Kremlin seems to be trying to give the impression that it has adopted a more conciliatory policy than that fol-

<sup>1</sup> Political warfare techniques include: diplomatic action, both through normal intergovernmental channels and in such international organizations as the UN; propaganda and front activities; political and economic pressures and inducements; the action of Communist parties and of Communist-controlled trade unions outside the Bloc; infiltration of Communists or their sympathizers into key governmental posts; espionage and sabotage; the fomenting of civil unrest, civil war, and colonial revolt; and the exploitation of nationalist and revolutionary movements.

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lowed in Stalin's later years. The Kremlin may hope by such tactics to relax the vigilance of some Western states, to encourage dissension between the US and its allies, and to delay the progress of Western rearmament. We cannot predict how long such comparatively conciliatory tactics will continue; it is to be expected that harsh courses of action similar to those pursued by the Kremlin in the past will reappear whenever the Kremlin deems them advantageous.

5. We believe that Bloc leaders during the period of this estimate will probably be prepared to reach an accommodation on some minor questions, and may make plausible but unacceptable proposals on major matters. However, they will almost certainly be unwilling to settle any East-West differences at the cost of major concessions. We believe, moreover, that the Bloc leaders will be extremely cautious in pursuing conciliatory tactics, and may revert from time to time to demonstrations of toughness, especially when they consider that their vital interests are involved, or that their tactics are being construed abroad as a sign of weakness. Offers to negotiate may be accompanied by reminders that the USSR now has improved capabilities in the nuclear weapons field, and as these capabilities further increase, the Kremlin may become bolder in its dealings with the West.

6. In Western Europe, the Bloc's diplomacy and propaganda will attempt to undermine popular support for the NATO alliance and for present programs of rearmament, in particular the program to rearm West Germany. France will probably be the principal target. This Kremlin political warfare campaign will

probably include further proposals to negotiate a German settlement, but we do not believe that the USSR is prepared to withdraw from East Germany.<sup>2</sup> Bloc political warfare efforts in Italy will probably continue to be particularly vigorous.

7. In the Far East, the Communists will attempt to use the Korean problem as well as other issues in the area to encourage division between the US and its allies. While it is unlikely that they will break the armistice by renewing hostilities in Korea, they will almost certainly not agree to Korean unification on any terms which would endanger Communist control of North Korea. It is unlikely that, even as part of a general Far Eastern settlement, the Communists would be willing to end the Indochina war except on the basis of a complete withdrawal of Western forces. Elsewhere in Asia, the Communists probably estimate that present conditions are not favorable for new attempts at local armed rebellion, though they will exploit any rebellions which may occur and will continue to support those rebellions which are now in progress.

8. The Bloc will continue to give highest priority to the rapid development of heavy industry. Promises to increase consumer goods production may require some adjustments in economic programs but will not alter this basic policy, and will not result in any curtailment of the Bloc's military effort.

9. The Bloc armament program during this period will be directed toward modernization and improvement of the armed

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<sup>2</sup> Soviet policy with respect to Germany in the light of the recent German elections and the prospects of rearmament will be considered in a forthcoming NIE.

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forces without substantially increasing their size. Particular attention will almost certainly be given to increasing production of nuclear weapons, to devel-

oping additional types of nuclear weapons, to improving capabilities for the delivery of such weapons, and to improving air defenses.

## DISCUSSION

### INTRODUCTION

#### Cohesion of the Bloc

10. The ability of the Kremlin to determine the fundamentals of Bloc policy does not appear to have been diminished by the death of Stalin or by subsequent political developments within the USSR. We believe that the Bloc will preserve its cohesion through the period of this estimate and that the Kremlin will continue to play the dominant role in the formulation of Bloc policies.

11. There have been some evidences of popular disaffection and even of popular resistance within the Satellite states. Such resistance may be a factor in the discrediting and purging of individual Satellite officials, and may induce the Kremlin to slow the tempo of Sovietization and industrialization which it has required of the Satellite leaders. However, we believe that the Satellite governments will continue to be responsive to Moscow's direction.

12. We believe that during the period of this estimate common ideology and common hostility to the West will keep the USSR and Communist China closely allied. While Communist China's military and economic dependence on the USSR will continue, the end of the Korean hostilities reduces the urgency of China's needs.

#### Basic Ideas Underlying Bloc Policy

13. Despite the death of Stalin and the accession to power of a new generation of Soviet rulers, we see no sign that the ideological dynamism of the Communist regime is abating, and we believe that the Communist rulers remain profoundly convinced that permanent hostility exists between the Communist and the free worlds. Their basic objectives, there-

fore, continue to be an expansion of their own sphere of power and the eventual domination of the non-Communist world.

14. Basic elements of the Communist concept of struggle against the non-Communist world appear to have been confirmed by the Nineteenth Party Congress of October 1952 and by doctrinal utterances since Stalin's death. One is that the struggle will continue through a whole historical epoch, with historical forces working inevitably to favor the increase of Communist and the decline of "capitalist" power. Unremitting struggle on the part of the Communists is an essential part of this process, but an early resolution of the contest is not necessarily to be expected and need not be sought. Another Communist principle is that the form of the global struggle is not necessarily military, except possibly in its final and cataclysmic stage, when the capitalist nations become desperate as their power wanes and their instability increases. The Communist strategy, therefore, must be to increase its own economic and military potential while simultaneously attempting to reduce non-Communist power by political warfare against non-Communist states.

15. From these considerations it appears that the Kremlin would not deliberately initiate general war unless it became convinced that: (a) Bloc forces had a decisive superiority insuring early victory, especially if the Kremlin felt that this superiority would be short-lived; (b) war was in any case imminent and it wished to have the advantage of the initial assault; or (c) a united and determined Western coalition was increasing its military power to such a decisive superiority as to make eventual retreat from positions considered vital to the security of the USSR the only alternative to an ultimate general war. We

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do not believe that the Kremlin leaders will reach any of these conclusions within the period of this estimate, and we therefore believe it unlikely that the Kremlin will deliberately initiate general war.

#### KREMLIN ESTIMATE OF PRESENT WORLD SITUATION

16. We believe that during the period of this estimate the Communist rulers will continue to consider general war a hazardous gamble, involving at a minimum the certainty of widespread destruction in the USSR and at the same time carrying with it the risk that the Soviet system itself would be destroyed. They know that the US has superior strategic air power and naval capabilities, a larger atomic stockpile, and greater industrial potential, although they probably estimate that the USSR is making substantial progress toward reducing its disadvantages in these respects. We believe, therefore, that the Kremlin will try to avoid courses of action which in its judgment might involve substantial risk of general war.

17. The Communist rulers almost certainly regard the Western alliance and its rearmament efforts, together with plans to add a rearmed West Germany and Japan to the alliance, as a potential threat to Bloc security. However, we believe that the Kremlin is not likely to conclude that the West will be militarily or psychologically prepared within the period of this estimate to initiate general war against the Bloc. The Communist leaders probably estimate that most governments allied with the US, in the absence of a clear-cut and immediate threat to their own vital interests, will probably not be willing to adopt more aggressive policies toward the Bloc. They probably also estimate that, in the absence of such a threat, economic strains and popular and political demands will tend to prevent expansion of the Western rearmament effort, and even to make difficult the maintenance of that effort at present levels.

18. Bloc leaders probably realize that the Western system of alliances and the West's rearmament since 1950 have greatly increased the risk that new local aggressions will be met by Western military opposition. They prob-

ably estimate that there is practically no area of the world where Bloc forces could initiate overt military aggression without grave risk of Western military reaction, which might lead to general war or to political consequences seriously adverse to Bloc interests. We therefore believe it unlikely that the Bloc will deliberately initiate new local aggressions with identifiable Bloc armed forces during the period of this estimate. The Bloc will, however, continue to encourage and when expedient to give material support to indigenous insurrections and civil wars, especially in "colonial" areas.

19. It is always possible, of course, that the Kremlin will deem some act of local armed aggression sufficiently advantageous to make the risk worth while. Moreover, despite its reluctance to run substantial risks of general war, the Kremlin might through miscalculation adopt some course of action involving such a risk. We also believe that the Kremlin would not be deterred by the risk of general war from taking counteraction against a Western action which it considered to present an imminent threat to Bloc security. It is thus possible that a series of actions and counteractions, initiated by either side, could lead to general war even though not intended by either side to have that effect.

20. The Communist leaders apparently believe that the Western coalition, despite its growing military strength, is afflicted by grave internal weaknesses which will progressively reduce its capability for united action. They seem to believe, for example, that the non-Communist world is entering a period in which conflicts of interest among its separate national economies will sharply increase. They apparently believe also that Western solidarity will be weakened by nationalist divisions among the major Western powers and by nationalist revolt in Asia, the Middle East, and Africa.

#### PROBABLE BLOC OBJECTIVES

21. We believe, therefore, that the immediate objectives of the Bloc in the present phase of its struggle with the non-Communist world are to continue to build its military power

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and economic potential, to create and exploit difficulties and weaknesses in the non-Communist world, to disrupt the coalition of Western states and in particular to isolate the US from its European and Asiatic allies, to mobilize resistance within the Western states to the alliances and rearmament sponsored by existing governments, and to deter from joining the Western alliance those states presently uncommitted or to persuade them to adopt policies favorable to the Bloc.

## PROBABLE COURSES OF ACTION

### Within the Bloc

22. The Bloc will continue to give highest priority to the rapid development of heavy industry and to the integration of its several national economies. However, the USSR and some Satellites have recently promised improvements in the standard of living which, if fully accomplished, would increase the rate of growth in the production of consumer goods or raise the volume of imports of such goods. There are indications also that pressure on the agricultural population may be eased. We believe that the Communist leaders may be adjusting their economic programs in order to allow greater incentives for industrial workers and peasants, and thereby to maintain or increase worker productivity and popular morale. [These adjustments in present economic programs will represent no change in the basic policy of giving primary emphasis to heavy industry, will not be allowed to endanger effective political control, and will not result in any curtailment of the Bloc's military effort.]

23. The USSR will almost certainly devote strenuous efforts to improving the political security and military usefulness of the Satellite area. The new leadership in the Kremlin may undertake personnel removals or even purges in Satellite governmental, party, and security organizations. Efforts will probably be made to raise living standards somewhat, wherever this is possible without endangering basic economic programs. Efforts to insure the reliability and to increase the military effectiveness of Satellite armed forces will be given priority over measures to increase their size.

24. The USSR will assist the industrialization of Communist China, though more probably in the form of credits and technical advice than of grants. The USSR's own needs and the limited capability of the Chinese to absorb capital goods will continue to limit shipment of such goods. The USSR may concede Communist China a greater voice in the direction of Communist activities in Asia, but will continue to insist that the USSR have the decisive voice in the determination of Bloc global policy. Despite possible frictions, both the USSR and Communist China are likely to make every effort to preserve a united front vis-a-vis the non-Communist world.

25. The Bloc armament program during this period will be directed toward modernization and improvement of the armed forces without substantially increasing their size. Particular attention will almost certainly be given to increasing production of nuclear weapons, to developing additional types of nuclear weapons, to improving capabilities for the delivery of such weapons, and to improving air defenses.

### Beyond the Bloc

#### General

26. We believe that the Bloc during the period of this estimate will almost certainly be unwilling to settle any East-West differences at the cost of major concessions. The Bloc leaders probably believe that the present stalemate over major issues in Europe and Asia can be maintained for a considerable period without serious disadvantage to themselves, and with some prospects of an eventual split in the Western front. However, they are probably prepared to reach an accommodation on some minor questions, and may make plausible but unacceptable proposals on major matters. They probably hope that such tactics will carry an implication to the free world of an abatement of the Bloc military threat and of a Bloc willingness to negotiate important issues. Minor concessions, thus interpreted in the West, might lead to a further relaxation of Western arms programs and to differences among Western powers over the terms of possible major settlements.

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27. Bloc diplomacy and propaganda will probably continue to stress the "peace" theme and the willingness of Bloc leaders to enter negotiations for the "reduction of international tension," including negotiations for disarmament. We believe, however, that the Bloc leaders will be extremely cautious in pursuing conciliatory tactics, and may revert from time to time to demonstrations of toughness, especially when they consider that their vital interests are involved, or that their tactics are being construed abroad as a sign of weakness. Offers to negotiate may be accompanied by reminders that the USSR now has an improved capability in the nuclear weapons field, and as these capabilities further increase, the Kremlin may become bolder in its dealings with the West. Furthermore, Soviet rulers may be intransigent in insisting that concrete negotiations be conducted on their terms. These tactics would support what we believe to be the Bloc's intentions at present—to make no major concessions, settle no major issues, and to promote division in the Western alliance.

28. During the period of this estimate the Communist leaders will conduct a vigorous political warfare campaign to undermine the Western power position. At present the Kremlin seems to be trying to give the impression that it has adopted a more conciliatory policy than that followed in Stalin's later years. The Kremlin leaders may estimate that this will give new effectiveness to their diplomacy as well as to such devices as the "peace" campaign, anti-American and divisive nationalist propaganda, and trade offers. They probably also estimate that conciliatory gestures will enable the Communist parties in non-Communist countries to broaden their popular support by attracting non-Communists into united national fronts capable of agitating divisive issues among non-Communist states and hampering rearmament programs. We cannot predict how long such comparatively conciliatory tactics will continue; it is to be expected that harsh courses of action similar to those pursued by the Kremlin in the past will reappear whenever the Kremlin deems them advantageous.

29. There are recent indications that the Bloc intends to increase its trade with non-Communist states. The Bloc's volume of trade with the free world will probably increase somewhat during the period of this estimate, but this trade will continue to be very small in proportion to intra-Bloc trade. New trade agreements will probably be intended not only to obtain desired imports but also to weaken the economic ties of non-Communist states with the US, and to make strategic trade controls a bone of contention between these states and the US. While the Bloc will not be able to bring about a major shift in present trade patterns, the Communists probably estimate that political dividends can be earned from even small increases in their current volumes of trade with individual non-Communist states.

#### Western Europe

30. In Western Europe the Bloc will aim at dividing and weakening NATO. Bloc diplomacy combined with the agitation of Communist and front groups will attempt to undermine popular support for present programs of rearmament and alliance with the US. The best prospects for these tactics are in Italy and France, where Communist voting strength remains dangerously high and can be used to apply leverage against the non-Communist left and the center parties. France will probably be the principal target of such maneuvers, since it is a keystone of the Western defense system and since its perilous economic condition and political confusion renders it the most vulnerable to internal disruption and external pressure. Increase of aid to the Viet Minh in Indochina may serve the dual purpose of deepening the French internal crisis and complicating France's relations with its allies. The USSR will also play upon French fears of Germany in order to prevent French support for the program of rearming West Germany in alliance with the West.

31. In Germany, the Kremlin's immediate aim remains to prevent the rearmament of West Germany and its alliance with the West. It may agree to Four Power negotiations on German unity, but is unlikely to conclude a

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settlement until it feels confident that the all-German government which would result from it would be favorable to long-term Soviet interests in Germany. The Kremlin probably believes that a united and neutralized Germany would eventually align itself with the West, and that a withdrawal from East Germany under present conditions would weaken the Soviet position in the Satellites. It is not probable, therefore, that the Kremlin will at any early date agree to a settlement of the German question on these terms.

32. Nevertheless, it is possible that the USSR might in certain circumstances conclude that its long-term interests would be better served by a settlement establishing a unified and neutralized Germany. It might come to believe that such a settlement could set in train a course of developments in the West which would justify sacrifice of the present Soviet hold on East Germany. If by paying the price of withdrawal from East Germany the USSR could obtain withdrawal of US forces from Germany and possibly from Europe, it might consider the bargain a good one. We believe it unlikely that the USSR will act on such a calculation within the period of this estimate.

33. It is also unlikely that the Kremlin will consent to an Austrian treaty so long as the German question continues unresolved. The Kremlin might become willing to accept an Austrian treaty which it believed would serve as a precedent for a German settlement advantageous to the USSR. So long as the Kremlin does not conclude that an Austrian settlement could have substantial political effects on the situation in Germany, it will probably prefer to retain at least some of the military and economic advantages it derives from its occupation of Austria. The USSR has apparently embarked on a program of de-emphasizing the military and direct control aspects of the occupation, and it may make further unilateral concessions to the Austrians.

#### Far East

34. *Korea.* It is unlikely that the Communists will break the armistice by renewing hostilities in Korea. They will remain pre-

pared to exploit the military opportunities which would be opened to them if the armistice were broken by unilateral action of South Korea, but we are unable to estimate whether they would do so by a full-scale offensive aimed at the destruction of South Korean and UN forces. They might consider that greater political advantages would result from merely taking defensive action against South Korean forces if the latter broke the truce. Barring a resumption of hostilities, the Communists will probably attempt to use the forthcoming political talks to encourage divisions between the US and its European allies over the Korean settlement and other Far Eastern issues. They will almost certainly not agree to Korean unification on any terms which would endanger Communist control of North Korea, although they will press vigorously for the withdrawal of all foreign troops. They are probably prepared to pursue the political-diplomatic struggle without renewed recourse to military action in North Asia at least through the period of this estimate.

35. *Japan.* Communist strategy toward Japan is probably based on the long-term calculation that a revival of Japanese nationalism and desire to play a more independent role together with Japan's urgent need for additional markets will ultimately undermine the country's pro-Western orientation. The Japanese Communist Party will probably continue to emphasize anti-US and nationalist themes and resistance to rearmament. Bloc diplomacy may hold out the prospect of return, in connection with a peace treaty, of some island territories now held by the USSR, and, even in advance of a treaty, will almost certainly extend trade offers and make concessions on minor issues such as fishing rights.

36. *Indochina.* We think it unlikely that, even as part of a general Far Eastern settlement, the Communists would be willing to end the Indochina war except on the basis of a complete withdrawal of Western forces. The Indochina war is not costly to the Bloc and the Bloc leaders probably estimate that the heavy drain on French resources in Indochina will ultimately force the French to terminate

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the war on terms which would insure eventual Communist control in Indochina. The Chinese Communists may further increase their material support to the Viet Minh, but there are no present indications that Chinese Communist combat forces will invade Indochina or that identifiable Chinese Communist "volunteers" will be engaged on a significant scale.

37. Elsewhere in Asia, the Communists probably estimate that present conditions are not favorable for new attempts at local armed rebellion, though they will exploit any rebellions which may occur and will continue to support those rebellions which are now in progress. They will continue to support anti-Western agitation, political action against Western-oriented governments, and the build-up of party organizations and para-military formations in preparation for direct action as this may become feasible in particular areas. The Bloc will continue its efforts to divert the trade of Asiatic countries from the West to the Bloc.

#### **Middle East and Africa**

38. The Middle East and Africa will probably continue during the period of this estimate to be routine targets of the Bloc political warfare effort to undermine the Western position, but, except for Iran, we do not believe that the Bloc will devote major attention to these areas. Trade offers will probably be made to Middle Eastern states, particularly those like Egypt whose economic position is vulnerable. Bloc delegates to the UN will probably also make special efforts to cultivate

the support of the Arab-Asian bloc during forthcoming discussions of Far Eastern issues.

39. *Iran.* Soviet courses of action in Iran will reflect the reduction of Tudeh capabilities caused by the events attending Mossadeq's overthrow and the anti-Communist measures of the successor government. The immediate objectives of the Kremlin in Iran will probably be the rebuilding of Tudeh strength and the organization of a united front of opposition groups. There will be little likelihood of a Communist attempt to seize power unless Tudeh strength is revived and the pro-Shah government shows conspicuous weakness, incompetence, or inability to solve the country's pressing financial problems. In the meantime, the USSR may continue efforts to improve relations with Iran by negotiations, trade agreements, and other official measures.

#### **Latin America**

40. The Bloc will continue its efforts through local Communist parties and front groups, appealing particularly to labor, students, and intellectuals, to promote anti-US sentiment, to embarrass US business interests, and to obstruct economic and military cooperation of Latin American governments with the US. The recently concluded Argentine-Soviet trade pact may presage a wider effort by Bloc states to expand trade with Latin America. The Bloc may estimate that such trade could eventually deny some vital raw materials to the US, facilitate infiltration of governments and business institutions, and provide a more receptive atmosphere for Bloc propaganda.

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